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FOR IMMEDIATE RELEASE

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[Updated] Notice Regarding the Execution of a Loan Agreement with Financial Covenants
by a U.S. Consolidated Subsidiary

Avex Inc. (“the Company”) hereby announces that its Board of Directors resolved at a meeting held today to have Avex Song Fund 1 LLC (Headquarters: Delaware, U.S.), a consolidated subsidiary to be newly established by the Company, enter into a loan agreement with financial covenants (“the Agreement”).

Details

1. Reason for the execution of the loan agreement with financial covenants

To fund the acquisition of music-related rights (“Music Catalogs) in the United States and other overseas regions, as well as for related working capital, as announced in the “Notice Regarding the Establishment of Special Purpose Companies (SPCs)” disclosed today.

2. Summary of the Loan Agreement

(1) Date of execution of the agreement	April 2026 (Planned)
(2) Counterparty	City National Bank (California, U.S.A.)
(3) Principal amount of debt	Senior Secured Credit Facility Agreement (Up to USD 50 million)
(4) Repayment deadline	Five years from the date of execution of the agreement
(5) Details of collateral	Shares of the subsidiary acquiring music-related rights (Non-recourse loan)

3. Details of financial covenants attached to the loan agreement

(1) LTV (Loan to Value): The ratio of outstanding debt to the value of music catalogs shall be maintained at 60% or less as of the last day of each fiscal quarter. However, starting from the fiscal year ending December 31, 2026, if the actual revenue generated is lower than the revenue projected in the previous year, the required ratio of debt shall decrease to a maximum of 30%.

(2) Fixed Charge Coverage Ratio: Starting from the fiscal quarter ending March 31, 2026, the fixed charge coverage ratio shall be maintained at 1.1x or higher as of the last day of each fiscal quarter.

*Fixed Charge Coverage Ratio: (EBITDA – Dividends to shareholders, tax expenses, etc.) ÷ Consolidated fixed charges (Interest and principal payments, etc.)

4. Overview of the Consolidated Subsidiary

(1) Trade name	Avex Song Fund 1 LLC
(2) Location	Delaware, U.S.A.
(3) Title and name of representative	CEO Brandon Silverstein
(4) Main business description	Management and operation of music-related rights
(5) Capital amount	USD 6 million (Planned)

5. Future Outlook

The impact of the execution of the Agreement on the Company's consolidated financial results for the fiscal year ending March 31, 2026, is minor. If any matters requiring disclosure arise in the future, we will announce them promptly.

End